

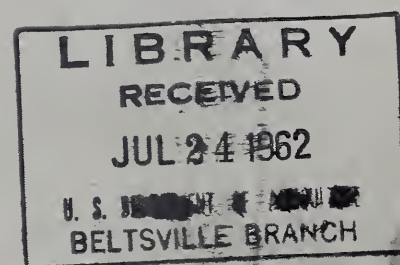
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June 1962

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Cover page

Wide as all summertime is Tonya Matye's enthusiasm for milk and its many highly nutritious products.

Here, lifting a toast to June Dairy Month during her lunch hour—with the Washington Monument and Tidal Basin as a background—she says: "Milk has always played a very important part in my life, and I've counted on it around the clock for its extra health-giving benefits. No day passes but I drink several glasses of this wonderful food."

Tonya, who is employed by USDA in Washington, loves the great out-of-door life. An expert diver, she also enjoys horseback riding and fishing in beckoning nearby waters. Married to a young Army man, she is the proud mother of a husky eight-month-old son.

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Geographically, the European Common Market is relatively small when compared with the U. S. Both France and West Germany are smaller than Texas. Belgium is only about a third as big as Pennsylvania. However, in 1960, the 170 million population was close to that of the U. S. Addition of countries seeking membership or association could bring the population to over 300 million.

A NEW-OLD FOREIGN MARKET

American agriculture's future in the Common Market—which joins together 6 of our “customer” countries in Europe—includes both promise and problems.

By RAYMOND A. IOANES

THE European Common Market, which brings together six “customer” countries, is already the biggest foreign cash buyer of U.S. farm products. It will be an even larger buying area when other countries join it or associate with it.

Whether the combined area will be as good an outlet for U.S. farm products as the individual countries have been is still a question. Developments in the months immediately ahead could well determine whether the American farmer ultimately will lose or gain from the rise of this economic giant.

What is the Common Market? What are some of the problems and promises it holds for American agriculture?

The Common Market—its official name is the European Economic Community (EEC)—includes France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg. Eventually, as in the United States, there will be no restrictions on movement of goods, capital, services, and workers within the area.

Like the United States, the Common Market will have a common policy applicable to the agriculture of all member nations, and a common policy on agricultural imports from outside, or “third” countries.

The treaty establishing the Common Market recognizes the rights of certain overseas countries and territories, mostly in Africa, with which the individual countries have had special links. The

treaty also keeps the way open for expansion by permitting additional countries to join the Common Market or associate with it.

The United Kingdom, Ireland, and Denmark have applied for full membership. Greece has been granted an “associate” status. Turkey, Austria, Sweden, Switzerland, and Spain also are seeking association.

The population of the Common Market as now constituted is close to that of the United States. Another 55 million persons are added by the overseas countries and territories. However, the addition of countries seeking membership or association could well bring the population to over 300 million.

The treaty sets up a “transition period,” during which the economies of



*Employees work day and night
at the Common Market Commission's
Main Building in Brussels.*

the original six countries are to be merged. Transition is scheduled to end in the normal course of events not later than December 31, 1969, but it could be extended to December 31, 1972.

Important steps toward merger already have been taken. These include a 40 percent cut in internal tariffs on industrial goods, and complete abolition of quota restrictions on industrial goods traded among member countries. Some basic decisions in formulating a common agricultural policy were taken in January 1962 at Brussels, Belgium—the Common Market “capital.”

BUSINESS is booming within the trading area. Industrial goods are moving freely among member countries. Virtually all workers are employed, and high purchasing power and availability of goods have stimulated buying. Exports to outside countries have risen, and imports are up.

The vigorous economy of the Common Market is gratifying to the United States, which has consistently encouraged economic and political cooperation in Western Europe. A united Western Europe has appealed to American foreign policy makers as an effective counter to the “divide-and-conquer” tactics of international communism. Furthermore, there has been the expectation that trade—agricultural as well as industrial—would flourish between the Common Market and the United States, to the benefit of each.

Marshall Plan aid at the end of World War II laid the foundation for unity. There has been solid U.S. backing for such groups as the Organization for European Economic Cooperation; the “Benelux” customs union of Belgium, the Netherlands, and Luxembourg; the European Atomic Energy Community; the European Coal and Steel Community; and now the European Common Market.

Most of the factors that normally make for a brisk dollar trade in U.S. farm products are present in the Common Market. Dollar purchasing power there is higher than ever before. That's essential. Dollar sales obviously can be made in substantial volume only in countries which have sizable dollar balances on which to draw.

A strong demand exists in the Common Market for a long list of the farm products we want to sell. The quality of our food and fiber is high, and our prices are competitive.

These factors, despite restrictions which have hampered access of our farm products to the Common Market, have generally worked in our favor—at

least up to now. During the past 5 years, U.S. sales to the Common Market countries increased almost 30 percent. And in the fiscal year 1961, U.S. Agricultural exports to the Common Market amounted to \$1.1 billion, which was about a third of U.S. agricultural exports for dollars.

Back of these export increases are rising shipments of feed grains to the Netherlands and Italy; soybeans to the Netherlands, West Germany, Belgium, Luxembourg, and Italy; and poultry to West Germany and the Netherlands. These increases have helped to push total U.S. agricultural exports to high levels in recent years—and to a record high value of \$5 billion in the calendar year 1961.

As for the future, the Common Market seems to hold both promise and problems for American agriculture. That conclusion is drawn, not only from a study of decisions by the Common Market with respect to the common agricultural policy, but also from the results of negotiations between the Common Market and the United States relative to access of U.S. farm products.

In the negotiations, the United States obtained tariff binding on several important products. These include cotton—our leading export to the area—soybeans, tallow, hides and skins, and certain fruits and vegetables, to mention a few. For most of these commodities, which account for about 70 percent of U.S. agricultural trade to the Common Market, we can reasonably expect our exports to expand in the years ahead as the economy of the Common Market expands. That represents the promise.

THE most difficult problems involve the remaining 30 percent of our agricultural exports to the Common Market, most of which are subject to variable levies. Included in this category are wheat, corn, sorghum grain, rice, and poultry, among others—products which are produced in the Common Market area. On these products, the Common Market's common agricultural policy strongly favors internal suppliers over outside suppliers, including the United States.

The reason for this "protectionism" is obvious. Over a fourth of the people in the Common Market countries work in agriculture. Where European farm prices are high, European farmers want to keep them that way. Their wishes, translated by the Common Market into a system of variable import duties, fixed tariffs, and buying preferences, could insulate a substantial part of the Com-

mon Market farm production from outside competition.

In recent negotiations, the United States was unable to obtain satisfactory and continuing trade arrangements for U.S. farm exports subject to the variable levies. The United States, furthermore, was not satisfied with the results of negotiations on one of the important fixed-tariff items—tobacco. But the way has been kept open for continuing talks. The Common Market recognizes fully that the United States will be seeking improved access for these farm products in the months ahead.

These future negotiations will involve bargaining. President Kennedy's proposal to replace the existing Trade Agreements Act with the Trade Expansion Act of 1962 is aimed at providing increased bargaining power. The President's proposed program is designed to make it possible to "swap,"—on a fully reciprocal basis—concessions on Common Market industrial goods for Common Market concessions on U.S. farm products.

GAINING access for our farm products in the Common Market is a first and essential step. But it isn't the only step. Once we gain the opportunity to compete on a fair basis, we must follow up with the cooperative industry-government market development work that consists, essentially, of old-fashioned selling. (See "Building Dollar Markets for U.S. Farm Products Overseas," *Agricultural Marketing*, June 1960.) We must become more "export-minded" all the way from the farm in the United States to the ultimate consumer in Europe. This involves producing and exporting high-quality goods, and it involves keeping our prices competitive.

Practical considerations are on our side. We want and need certain Common Market products that Common Market producers are eager to sell to us. Millions of people in the Common Market want and need the food and fiber that can be produced at low per-unit cost in the United States. The Common Market's workers and industrial leaders know that freer trade policy in agricultural products would be to their advantage as they build export markets for their industrial goods. Increased awareness of the benefits coming from a free flow of the goods that each country can produce efficiently will do more than anything else, in the long run, to assure that the Common Market will be an expanding outlet for U.S. farm products.

(The author is Administrator, Foreign Agricultural Service, U.S. Department of Agriculture.)



West Germany is the best overseas customer for U. S. poultry.



Above, Rhein-Harbor on river Nieuwe Maas with view of Rotterdam.

Below, Italian workers in a Milan steelworks.





Official judging committee, quality meats contests, International Live Stock Exposition. Left to right, John C. Pierce, Deputy Director Livestock Division, U. S. Department of Agriculture, Washington, D. C.; Dr. R. A. Long, Head Animal Husbandry Dept., University of Georgia, Athens, Ga.; Prof. Val Brungart, Dept. of Animal Husbandry, University of Wisconsin, Madison, Wisc; Walter T. Manders, Beef Manager, Lincoln Meat Co., Chicago, Illinois; Ellard Pfaelzer, President, Pfaelzer Brothers, Chicago, Illinois; Prof. L. E. Kunkle, Dept. of Animal Husbandry, Ohio State University, Columbus, Ohio.

Beef Carcass Contests—Expanding!

By E. F. KIMBRELL

WHEN the International Live Stock Exposition opened in Chicago last November, cattle producers entered 274 carcasses in the beef carcass show. Last year's figure represents a substantial increase over the 42 entries in the 1941 show.

At a recent contest held in connection with the Annual Midwest Steer and Carcass Show in Austin, Minnesota, producers entered a record 98 carcasses. The 1961 Nebraska State Fair's initial carcass show drew 53 qualifying entries from 31 counties. Interest in carcass classes at major shows all over the country has been steadily increasing.

And why all this sudden interest in beef carcass shows? It seems that the

livestock industry is becoming more and more aware of the value of such shows as an important means of improving the quality of beef cattle. This increased interest has also pointed up the need for some basic standard of accurate and uniform appraisal of carcass value.

Until recent years, the emphasis placed on the amount of finish in live cattle has presented producers with a slightly distorted picture of the characteristics most desirable in an animal. Some animals produce carcasses with a relatively small amount of fat and a high proportion of lean cuts, but with meat quality equal to, or even superior to those that are much fatter. These desirable animals have simply not been given adequate recognition.

Carcass contests can, and have

proven quite helpful in correcting these fallacies. Carcasses with superior meat quality and a high proportion of lean cuts are being recognized in such contests.

Contest officials at several livestock shows have realized the importance of recognizing high-quality carcasses with high cutability. Cutability simply refers to the proportion of trimmed retail cuts obtained from a carcass. These officials adopted methods of evaluating such carcasses on cutability as well as quality. Recent studies conducted by the Livestock Division of the U.S. Department of Agriculture have shown that cutability can be estimated quite accurately by using measures of muscling and fatness. From these studies, USDA is developing a dual grading sys-

tem which provides for giving a carcass two different grades—one for its cutability and another for its quality.

At the Nebraska State Fair, carcasses were evaluated on the basis of a "carcass index," a numerical rating representing the dollar value per hundred-weight of carcass. That index was an objective evaluation which combined cut-out yield and carcass grade.

Officials at the shows mentioned earlier have adopted similar evaluation techniques involving the determination of cutability and quality grade. In several future shows, such as the one planned for the Arkansas State Fair, judges will likewise evaluate the carcasses using measures of cutability and quality.

Carcass shows for producers

The educational aspects of these carcass shows are intended primarily for the cattle producer. They attempt to point out to him just exactly what is desired in beef carcasses. Activities usually include an evaluation of all carcass class entries prior to slaughter and supervised tours allowing the public to view the carcasses after they have been judged. Occasionally, judging contests for 4-H members and adults are included so that they may test their ability to recognize animals that produce the best carcasses. Data obtained from the carcasses are also usually made available to exhibitors.

To be of maximum benefit, the carcass evaluation factors used in these activities must be simply and easily applied in the production and marketing of beef cattle. Also, they must be simple to understand, easily determined, and reasonably accurate.

The Reciprocal Meat Conference has recently adopted, and is recommending, a carcass evaluation procedure for use in carcass shows that considers both cutability and meat quality. Members of the Conference, primarily college and university personnel actively engaged in livestock and meat educational and research work, usually officiate at the major contests. The Conference has specifically recommended that a member of the Livestock Division of USDA's Agricultural Marketing Service serve on all official carcass contest committees.

The widespread use of the procedures recommended by this group would provide an extremely valuable means for continuing the improvement of beef cattle.

(The author is a staff member of the Livestock Division, Agricultural Marketing Service.)

CANTALOUPE SHIPPERS CAN SAVE MONEY BY NEW ICING METHODS

SHIPPERS of California cantaloups can now save an average of \$30 per railroad car by using half-stage or modified refrigeration on their New York shipments, according to a recent study by the Agricultural Marketing Service.

The marketing research tests show that cantaloups will arrive at market in good condition when modified icing, or half-stage icing, is used in place of standard full-stage icing. Here's how modified icing differs from standard protective services: The cars are re-iced on certain days specified by the shipper. Half-stage icing is just what the name implies—filling the top half of the bunker at each icing stop, but still icing every day with standard protective services.

Several test shipments of cantaloups were made during the 1960 and 1961 season to east coast markets from the west side of the San Joaquin Valley where 90 percent of California cantaloups are produced.

Car temperatures were checked during the trip and the cantaloups were examined for quality after they reached east coast markets. Full-bunker standard refrigeration was compared with both half-stage and modified refrigeration. Here are some of the results of the tests:

Both modified full-bunker icing and half-stage standard icing will protect cantaloups as well as standard full-

bunker refrigeration.

Cars shipped with modified protective services should be re-iced on the second and fifth day in transit.

Half-stage cars should be re-iced with 1,200 to 1,800 pounds of ice at the shipping point when less than 3,000 pounds of ice remains, in order to prevent the ice from running out before the car reaches the first re-icing station.

Cars shipped to Chicago under modified protective services need only to be re-iced the second day for proper cooling.

Since transportation costs can be cut, and cantaloups arrive at markets in good condition under both half-stage and modified protective services, which service should be used?

According to the marketing researchers, shippers should ordinarily use modified icing. Cars are often loaded and remain on a siding until the shipper receives an order for the product. Under both standard and modified icing procedures the bunkers are filled with ice, allowing the shipper to use either service the buyer chooses.

This is not possible with half-stage icing, because the ice racks cannot be changed after the car is pre-iced. Also, bunkers of the half-stage cars must be checked to see if they have enough ice to last until the first re-icing. In the event they do need to be refilled there is a small additional charge.



MILK AND DAIRY PRODUCTS IN FAMILY DIETS

By DR. HAZEL K. STIEBELING



We in this country have unsurpassed freedom in the choice of our food. Never in history have consumers had at their command so great an abundance of food in so large an assortment and in return for the income from so few hours of work.

MOMENTOUS decisions that affect the well-being of people are made every day by the family food manager as she plans what and how much to serve at the family table. Important decisions also are made by each person as he selects what and how much to eat at mealtime and between meals. These decisions affect nutritional health.

We cannot readily judge the nutritional significance of the per capita decline in milk consumption in recent years because we do not know whether it was brought about by a large number of people, each using a little less or by an increase in the number of "low-consumers" of milk. We hope that the number of "low-consumers" has not increased. Even when fluid milk consumption was at its peak in 1955-56, one family in four had diets that supplied less than the recommended amounts of several important nutrients for which milk is both a famous and an economical food source.

The contribution that fluid milk and other dairy products make to family diets depends, of course, both on the amounts they customarily use and on the nutritive values of the specific products they choose. The inherent values of the various processed dairy products depend chiefly upon the extent to which they retain the major components of the milk from which they are made.

Broadly speaking, the solids of dry whole milk and evaporated milk are like those of fresh whole milk. Butter and skim milk represent two distinct combinations of milk components.

Let us look first at the nutritive values of butter, the product that has less in common with whole milk than other dairy products widely used as food. Among the food fats, butter is recognized as one of low melting point, one that is readily digested, and one that supplies fat-soluble vitamins. Like all other food fats, it is a concentrated source of food energy, supplying about 9 calories per gram.

For years nutritionists tended to think of food fats chiefly as valuable sources of food energy. They gave little attention to other more subtle aspects of the composition of these products. Of course, they knew that many physical and chemical properties of fats are due to the characteristics of the constituent fatty acids and the proportions in which these acids occur in a food.

But only in recent years has there been widespread interest in the possible metabolic consequences associated with differences among dietary fats in their molecular composition, both natural and

induced by processing and handling.

Many investigators believe that we have permitted fats to have too large a place in American diets. It may be that greater moderation in amount and greater variety in kinds of food fats that we are now using will prove to be advantageous. With present knowledge, however, no one can say exactly within what range of quantity the various food fats, including the fat of milk, can make their most effective contribution to human nutrition.

Many factors affect fat metabolism and for sound dietary guidance, we must have more research. We must determine the biological values of food fats and their nutritional significance, alone and in combinations. We also must investigate thoroughly the effects of dietary factors other than the amount and kind of fat on the physiological response of the body to the food we eat. And in designing these studies, we must take into account that heredity and general mode of life may be responsible for variations in responses of people to identical diets.

WE now know that some half-hundred different kinds of nutrients, including fat, are essential to good nutrition. For food energy and eight key nutrients, the Food and Nutrition Board of the National Academy of Sciences—National Research Council has made quantitative recommendations as to amounts that will foster a high level of nutrition for persons in different age groups.

In their latest publication they have recognized the essentiality of more than 20 other nutrients. Pending further knowledge we assume that when we meet the needs for these key nutrients through diets made up of everyday foods, we satisfy our needs for all other chemical entities basic to good nutrition. But there are indications that several additional nutrients may require attention in diet planning. There also are indications that we should consider the upper as well as the lower limit of quantities of nutrients and foods for nutritional health.

The nutrient allowances suggested by the Food and Nutrition Board can be attained readily within the food supplies of the United States. But according to our latest nationwide survey, 29 percent of families had diets that failed to provide fully the recommended allowance for calcium, 25 percent failed to meet the allowance for ascorbic acid, and from 15 to 20 percent for vitamin A, thiamine, and riboflavin.

The milk we drink or eat in cooked

foods, in ice cream, and as cheese provides important amounts of several nutrients that often are in shorter supply in our diets than is desirable. Two-thirds of the total calcium in family diets is provided by milk and other dairy products. These foods also furnish about half of the riboflavin, about a quarter of the protein and the vitamin A, 12 percent of the thiamine, and lesser shares of a very long list of other needed nutrients.

BECAUSE many different combinations of food may be used to meet our requirements for nutrients, the U.S. Department of Agriculture has translated dietary allowances for the nutrients covered by the Food and Nutrition Board into terms of common foods.

The resulting food guide is stated in terms of servings per day of four types of food, with some qualifications regarding choices within each group.

One of these four special groups of food is milk. Here we suggest 2 or more cups a day, depending upon age of person and other conditions—milk to drink or in prepared food, or to be eaten in equivalent amount as cheese. This amount makes significant contributions to good diets. For a number of nutrients milk is also a very economical food.

Our latest food survey showed families to be spending an average of 15 percent of their food money for milk, cream, cheese, and ice cream. For this expenditure they got 64 percent of their supply of calcium, 45 percent of their riboflavin, about 25 percent of their protein, and many other nutrients besides.

Diets of many persons in this country would be improved by the use of
(continued on page 16)

Colonel Glenn enjoying milk at breakfast.



USDA Makes Largest Potato Inspection

By STEVEN A. BRETH

THE most tumultuous year of potato futures trading in the 90-year history of the New York Mercantile Exchange came to a close on May 14. Over 177,000 contracts had changed hands during the 12-month life of the May futures. Speculators counted their money or nursed their wounds. Buyers prepared to take delivery.

But for the New York office of the U. S. Department of Agriculture's Fruit and Vegetable Inspection Service, the job had only begun. The produce inspectors were faced with the largest delivery of potatoes through the Exchange ever to hit New York City at one time. Nearly 1,000 cars were jamming the rail yards from New York to New Haven.

The cause was the expiration of May potato futures contracts. Each futures contract promises the buyer delivery of one carlot (50,000 pounds) of potatoes at a specified future date. For the May contract the close of trading date was May 14. The contract also guarantees the buyer that the potatoes will grade U.S. Number One, 2-inch minimum size. USDA inspectors must check each car and certify that it meets the standards.

Edgar F. Johnson, eastern district supervisor based in New York, was aware in April that the inspection would be a big one. He alerted inspection offices in nearby States, telling them he might have to borrow inspectors. But, he couldn't know exactly how big the delivery would be until trading neared completion. So, three days before trading ended, he was on the phone again, confirming the loan of qualified potato inspectors from offices throughout the East.

"Hello, operator, I want to speak to Frank Conners in Pittsburg. Frank, this is Ed Johnson in New York. As you know, we're swamped with requests to inspect potatoes for delivery on the Mercantile Exchange. How many men can you spare? Two? Good. Get them here as fast as you can—by Monday morning, if possible."

And so it went, into the night. Some inspection offices were tied up with their regular inspection chores and couldn't spare men. Others juggled their office staffs and managed to shake loose an inspector for a few days. Johnson finally put the phone down at

11:30 p.m. He had lined up 12 out-of-town inspectors to help his regular force of 25 men. The extra inspectors came from six States, from Maine to North Carolina.

The job had to be done quickly. Delays that keep the cars sitting on the tracks can be costly to the owner in time and money. Led by Edward J. Beller, in charge of the New York City Receiving Market, an average of 15 to a high of 33 inspectors were on the job every day. Practically the entire inspection staffs of New York City, Newark, and Boston worked the first Saturday and Sunday, finishing off 479 cars in those two days. The inspectors worked from 8:00 a.m. until it was too dark to see. Evenings, frequently to midnight, were spent writing up records and reports. In eight days, 995 cars were inspected.

Fruit and vegetable inspection isn't easy. It takes a trained eye and years of experience to be able to spot the many defects that can cause potatoes to be off-grade and it calls for a strong back to move 50-pound sacks all day long.

Despite the demands of this extraordinary potato inspection, day-to-day obligations couldn't be sloughed off. Fruit and vegetable inspectors are re-

sponsible for applying 150 grade standards affecting 79 different commodities. The inspectors are in constant demand by shippers, railroads and wholesalers. The New York inspectors had to complete the potato inspection and still not fall behind on their regular duties.

One inspector left his home on Long Island at 5:30 a.m., drove 100 miles to the rail yards in Bridgeport, Connecticut, inspected potatoes most of the day, then drove back to Manhattan to act in his regular capacity as night supervisor on the New York produce market. He finally made it home 24 hours after he had left.

Asked about the potato inspection, George Jacobson, a produce broker and partner in Jacobson & Co., New York City, said, "995 cars inspected in 8 days! This is remarkable, in my book. Show me any other group of men in the country that can do this kind of a job in such a short time."

The President of the New York Mercantile Exchange summed up the story saying, "The inspectors met an unprecedented challenge. We can't praise them highly enough for the job they have done in spite of many obstacles."

(The author is an information specialist in the Northeast Area Office, Marketing Information Division, AMS.)

Hundreds of cars of potatoes converged on rail yards near New York in May as a result of active futures trading. USDA's New York Fruit and Vegetable Inspection office mobilized inspectors from 6 States to speed certification. Led by Ed Beller, in charge of New York office, the inspectors (shown above) examined 995 cars in eight days.



TONE UP PRODUCE WAREHOUSE LAYOUTS

RAPID turnover and fast movement are two "musts" for fruit and vegetable wholesalers who want to maintain produce quality and minimize costs. Cluttered-up warehouses slow down operations and increase marketing costs needlessly.

Produce wholesalers can tone up their warehouses by following some basic layout guides developed by researchers from the U.S. Department of Agriculture. Here are a few reminders from marketing researcher Robert K. Bogardus of USDA's Agricultural Marketing Service:

Wholesalers should locate, and use to full advantage, all storage areas, aisles, doors, and equipment, so that commodities received by truck or rail will travel the shortest possible distance into storage areas.

Aisles should be located so that commodities can be moved into, within, and out of storage areas in the least possible time. Minimum transportation distances, and reduced time spent in movement, will result in fewer manhours in handling fruits and vegetables and in lower labor costs.

It is important for dealers to use every portion of warehouse space, both horizontal and vertical. Each square foot should be economically utilized. All ducts, pipes, refrigeration units, and other overhead obstructions should be so well located that they do not interfere with the use of vertical space. And a minimum vertical clearance should be maintained throughout all storage areas. Knowing why each cubic foot of space is needed, and how it is going to be used, will permit more economical operations.

For protection of fruits and vegetables, it is necessary to recognize the

need for maintaining quality and avoiding physical damage to any of the products handled. This can be accomplished by providing planned space for stored products so that refrigerated air can circulate throughout all storage areas as well as to and through individual containers. For instance, proper spacing between loads and ample aisle space will allow produce to move into and out of storage areas without physical damage and permit free air movement.

Approximately 50 percent of the space used by general line dealers should be kept at a temperature of 32 degrees F. with humidity of 90 percent. The quality of items kept in this way will assure consumers garden-fresh produce.

Also, floor space should be so organized that it can be used for more than one purpose. Seasonal changes in the availability of fruits and vegetables, the improvement in operating methods, new types of materials-handling equipment, and changes in the operations performed, make the proper organization of floor space highly desirable. And a minimum of columns and strategically located doors in large open areas are also very desirable.

The movement of properly maintained equipment should be expedited by providing ample aisles, clean and clear platforms, and the arrangement of storage and work areas for the direct flow of produce into, within, and out of the warehouse. The result of this use of equipment will prove highly satisfactory and the number of units of handling equipment, as well as the investment involved, will therefore be held to a minimum.

As in any other operation, wholesalers of fruits and vegetables are eager

to avoid all possible accidents. This can be done by providing adequate lighting facilities, properly planned passageways for foot traffic, and unobstructed storage spaces. Also, conveniently located comfort facilities help to minimize the time spent away from work and permit maintenance of satisfactory sanitary conditions.

Further, specific storage areas for commodities should be designated so that they will be easily accessible. This will reduce the time which foremen have to spend in locating open storage space and in directing the relocation of depleted supplies in order to consolidate space. Obviously, less time would be required for inventory control, for a first-in and first-out inventory policy is easier to achieve in a warehouse with a well-planned layout.

ANOTHER caution—wholesalers, planning a warehouse, should provide for future expansion. Estimates of future business growth are a necessity today since a building designed for expansion will minimize the cost of storage space added later. For instance, removable walls or partitions can be provided in looking toward future growth. Cold storage rooms and permanently installed equipment can be so located that they will not present costly barriers to increased warehouse size.

Initial construction, of course, should allow space for some growth in business volume. However, providing all the space for business growth in a 10-to 20-year span can result in a financial drain on income from current business volumes. A definite plan for expanding facilities, with building features aimed toward that end, will permit warehouse growth at low cost.



Clarence Girard (left), Director, Packers and Stockyards Division, points out the locations of the Division's 27 field offices to S. R. Smith, Administrator, Agricultural Marketing Service. Field supervisors offer numerous services to livestock producers by handling claims and conducting investigations into unfair trade practices.

Your Livestock Industry

By CLARENCE H. GIRARD

THIS is *your* livestock industry.

... A massive, sprawling business, born of the wide-open spaces, ever driving to feed the exploding population of the best-fed nation in the world.

... An intense national fellowship of determined individualists—each an entity in his own right, whether he's a Texas cattleman, a Missouri hog-raiser, an Idaho sheep man, or a New England dairy farmer.

... A vastly dynamic industry which can boast a past filled with centuries-old tradition, a present of inestimable worth to the nation, and a future of unlimited growth along new frontiers of enterprise.

But it is basically a changing industry.

The livestock marketing field is undergoing a constant shift from emphasis on the large terminal market to the increasingly important country market.

This, plus a marked decentralization in the meat-packing field, is altering—and to some degree has already altered—the very fiber of the livestock marketing industry. In fact, problems which face the livestock man today often only barely resemble those which confronted

the livestock man of the early 1920's when the Packers and Stockyards Act was passed.

Through the years, however, the Packers and Stockyards Act, which has for its goal the protection of individuals in the industry from unfair trade practices, has tried to keep pace with changes both in the economic structure of the nation and in the livestock industry.

Today, even more than ever, it offers industry-wide protection from unfair market practices, varying from nationwide price-fixing to the failure of a single producer to get paid for his livestock.

To keep up with the changing industry, Congress amended the Act in 1958—both to extend the Act's coverage and to afford protection to every livestock producer and shipper, in all transactions with market agencies, dealers and packers at public markets or in the country.

Even as the world we live in seems to become more and more complicated each day, the livestock industry itself is becoming more diversified, more intangible, as it broadens out into many new areas and activities and as more

and more livestock marketing activities fuse into one another.

In 1921, when the Packers and Stockyards Act was enacted, more than 90 percent of the nation's livestock moved through the great terminal markets—such as Chicago, Omaha, St. Louis, and Kansas City.

Today, however, we find that packers purchase most of their livestock directly from producers or feeders at the farm or ranch, through country buying stations, and at more than 2,200 auction markets.

At the time of the Act's passage, most of the packing industry was centered around the large terminal markets. Today, the packing industry has become dispersed throughout the nation and packing plants are now located everywhere.

This increasing complication, however, is not caused entirely by a diversification in the industry. While livestock marketing and packing has become more widespread—the food distribution system is becoming more concentrated.

The neighborhood butcher has almost disappeared from the national scene—and in his place today's con-

sumer finds the neat, orderly rows of pre-packaged meat in the modern supermarket.

Unlike yesterday's butcher, today's streamlined, nationwide butcher and meat salesman—the chain food store—no longer relies entirely on others for all of his meat needs. Some food stores today participate in livestock buying, livestock feeding, meat manufacturing and packaging and finished product distribution—all activities once separate and now falling to some extent under the control of retail food agencies.

WE have said that the Act has been extended to meet the needs of the changing situation and that it affords protection to almost every person in the livestock industry. But what does this protection amount to?

First we must understand just what areas and what transactions are covered by the Packers and Stockyards Act.

Under the original statute, the jurisdiction of the Act extended only to large terminal markets in interstate commerce—and, of course, to the meat packers.

Now, however, the Act applies to every stockyard and auction market which operates in interstate commerce, to every "packer" including chain stores that slaughter, manufacture or prepare meat—and to every market agency and dealer whose operations are "in the current of commerce."

This last phrase needs a little explaining—for it is the key to much of the protection offered the individual producer wherever he may be.

All public stockyards and auction markets which handle cattle shipped in interstate commerce are required by the P&S Act to be "posted" by the U.S. Department of Agriculture. This posting is merely the act of identifying a stockyard to the public as being in interstate commerce and being under the jurisdiction of the Act.

From the time a stockyard is posted, not only must a set schedule of fair and nondiscriminatory rates and charges be established by the stockyard, but every livestock dealer and market agency operating at the stockyard must be registered with USDA.

Likewise, every livestock dealer or market agency operating elsewhere "in the current of commerce" is also required to register. While packers operating in interstate commerce are not registered, they are nonetheless subject to the P&S Act and their "packer-buyers" are required to register, but not required to furnish a bond.

The Act, however, does not regulate livestock producers who do not engage in speculative dealing, even if they buy their own livestock across a state line.

The expanded coverage of the Act gives you in the livestock industry greater protection—since most transactions are covered by the Act and the benefits due each individual in the industry under the P&S Act are applicable to most situations involving livestock transactions.

BUT just what protections are offered the livestock producer by the Packers and Stockyards Act?

We have already mentioned one of them—the requirement that a posted stockyard keep a set schedule of fair and nondiscriminatory rates and charges. The Act goes one step farther with a stockyard. A stockyard owner is also required to provide adequate facilities and to give proper services to persons trading there. The level of these services is judged on the basis of fairness and nondiscrimination.

Other protections afforded under the Act apply over-all to the livestock industry. Among these are:

1. Livestock and meat scales must be kept accurate. Proper scale records must be kept. Misrepresentation of weights is prohibited by the Act. The Packers and Stockyards Division has a number of specialists in scales and weighing who make periodic checks of scales to insure accurate weighing.

2. Misrepresentation in sales and in advertising is prohibited by the Act in transactions involving interstate commerce. The P&S Division handles complaints by livestock men or packers who have been hurt by misrepresentation and also makes periodic checks of livestock and meat advertisements to look for obvious misrepresentation.

3. The Act requires that livestock debts be paid promptly when due. It also prohibits a person from acting as a livestock dealer or market agency while he is insolvent. This is done to guarantee that a person who sells livestock in the current of commerce has some assurance of being paid and paid promptly.

4. Reparations proceedings are available to assist the livestock producer in collecting for any loss due to breach of contract or negligence on the part of a market agency, dealer or stockyard company. The livestock producer may file a reparation claim with the Packers and Stockyards Division in order to receive just payment.

This now applies to country transactions as well as those at a posted

stockyard, but does not apply to direct sales to packers.

5. Every livestock dealer, market agency, and packer is required by the Act to keep and maintain such accounts, records, and memoranda which will fully and correctly disclose all transactions in his business. Such records are examined periodically by P&S Division auditors. If the audit reveals that the records are deficient—action by the Division may be taken.

Those subject to the Act must also report accurately to the producer. If, for example, a packer purchases livestock on a "grade-and-yield" basis and fails to report to the producer on the actual grade and yield, he is subject to action by the Packers and Stockyards Division.

6. Unjust discrimination and failure to give uniform rates and services to all persons are prohibited by the Act—and the producer, whether large or small, is assured of equal treatment by all livestock dealers, market agencies and meat packers.

7. The Department of Agriculture requires bonding of all registered livestock dealers and market agencies in order to protect the financial interests of those who sell livestock to such registrants. However, bonding is not required of packers, and even where required by others, may not always be sufficient to cover all the claims if a livestock speculator becomes bankrupt.

YOU also have some responsibility along this line. You must know your market agency, packer or dealer and trade only with those you are sure can guarantee payment.

The Packers and Stockyards Act is designed to help you in your livestock industry—your changing, dynamic industry. We in the P&S Division are assigned to see that you receive the many protections provided by the Act, and, to the best of our ability, we intend to do just that.

But we need your help also. If you have any complaints, or any questions concerning the Packers and Stockyards Act, contact the Packers and Stockyards Division in Washington, or your nearest district P&S office.

It is your responsibility to help maintain free competition in your livestock industry. If you do your part—on your own and with the aid offered under the Packers and Stockyards Act—you can keep the same spirit of fair play and open competition which has always characterized your livestock industry.

(Mr. Girard is Director, Packers and Stockyards Division, AMS.)

THE DAIRY MARKET

Statistics

HELP DAIRY INDUSTRY

MARKET PRODUCTS



Cows and milk containers are obvious necessities in the dairy industry but statistics also are a "must." Dairy farmers, processors, distributors, and retailers have definite uses for facts on milk consumption, production, cow numbers, storage reports, etc.

USDA's Economic Research and Statistical Reporting Services regularly publish a number of reports containing

these much needed figures on milk and dairy products as part of its service to the food and agricultural industry.

The Statistical Reporting Service issues three monthly reports from its Washington office: *Evaporated, Condensed, and Dry Milk Report*; *Fluid Milk and Cream Report*; and *Milk Production*.

Four SRS dairy reports are issued yearly: *Milk-Farm Production, Disposition, and Income*; *Production of Manufactured Dairy Products*; the *Annual Statistical Summary of Milk Production and Dairy Products*; and *Fluid Milk and Cream Consumption in Selected Marketing Areas*. The latter contains Federal milk market order data from individual markets and is issued as a supplement to the May issue of the *Fluid Milk and Cream Report*.

In addition, SRS maintains a regional dairy statistics office in Chicago, from which several periodic reports are issued. These monthly publications are *Production of Cottage Cheese*; *Production of Creamery Butter and Cheese*; *Production of Ice Cream and Related Frozen Products*; and *Milk Prices Paid by Creameries and Cheese Plants, by States*.

American Cheese Production, *American Cheese Warehouse Report*, and *Creamery Butter Production* are weekly bulletins issued from Chicago.

Two general monthly statistical reports contain milk data. These are *Agricultural Prices* which contains prices on dairy products and dairy feeds at the middle of each month. The *Cold Storage Report* gives the pounds of dairy products in warehouses on the first of every month.

Specialists in the Economic Research Service analyze much of this data, publish per capita consumption figures, and project what future supplies, demands, and prices will be. Six issues a year of the *Dairy Situation* include the outlook for dairying and such information as farm, wholesale, and retail prices; production—on farms, per cow, and factory; storage stocks; monthly

disappearance; sales and receipts and ratios such as the milk feed price ratio which shows how many pounds of feed can be purchased with a pound of milk. The *Dairy Situation* also reports on the effects of dairy programs and carries articles on new and unusual developments in the dairying world.

The *National Food Situation* contains milk data from time to time, and analyzes supplies, consumption trends, consumer prices, and so on. Unusual effects such as the interest in diets and fat content of milk now evident are discussed in special articles as needed. The *Demand and Price Situation*, issued 11 times a year, carries dairy product data and features articles on demand factors and prices in the dairy industry.

Single issues of any of these reports may be obtained by writing to Publications Distribution, MOS Information, Economic Research Service, USDA, Washington 25, D.C. Mailing lists are maintained for those who want to receive publications regularly.

TO SELL MORE MILK

How can we sell more milk, or at least continue to sell as much? That's the question constantly on the minds of milk producers and processors.

The question is made more urgent by the downward trend of milk consumption per capita. Last year, according to studies of USDA's Economic Research Service, the average person in the United States used 314 pounds of fluid milk. This was 10 pounds less than the year before and 16 pounds less than two years ago. And this downward trend has been going on since 1955.

To sell more of anything, it's a good idea to find out who the customers are, and what people are not customers; what kinds of customers buy the most, which ones buy the least; which ones are most likely to buy more. All this means research.

- Statistics Help Dairy Industry Market Products
- To Sell More Milk—More Research Is Needed

Studies of the dairy industry by ERS spotlight many of the problems and provide a beginning toward finding some of the answers. For example, a study of household food consumption a few years ago showed that, up to a point, families use more milk as income increases. The break-off point seemed to be about \$5,000 a year. Families with incomes of \$1,000 to \$2,000 a year used 1.2 quarts of milk per person each week, while those with \$4,000 to \$5,000 used 2.9 quarts per person. But above \$5,000 there was no further increase.

Geography made a difference, too. In the North Central region, the average person used 3.4 quarts of milk a week; in the South, the average was only 2.2 quarts.

The average member of a farm family used 3.7 quarts a week compared with 2.8 quarts per person among city families and 2.7 quarts for persons in those sections classed as rural nonfarm. However, of the milk used by farm people, only about a sixth of it was bought from a dairy or a store.

The Department of Agriculture's new Food Stamp Plan has provided some information about what happens to milk consumption by low income families when they get an increase in food buying power. Families in the Food Stamp Plan bought about the same amount of dairy products after they began receiving food stamps as they did before, but the value of the products was higher, as they bought more fresh milk and less powdered and evaporated milk.

A short time ago, economists at Pennsylvania State University reported "The Story of Adolescents and Milk," which showed that milk consumption drops off sharply in the late teens. Why? The young men thought drinking milk was "sissy"; the girls were worried about their weight.

There is some evidence that at least until recently, milk consumption among people over 60 was higher than among younger adults.

Researchers have tried to learn whether the place people buy their milk has an influence on how much they buy. They've found that people who have milk delivered to their homes use more milk than those who buy all their milk at the store, but that the biggest consumers buy from both the routeman and the store.

In addition to milk sold directly to families, the bulk of dairy products is sold to wholesale outlets. A recent USDA survey showed that of the milk which is sold in wholesale quantities, about 70 percent goes to stores, 14 percent to restaurants, hotels, and other public eating places, about 9 percent goes to hospitals, jails and other institutions, and a little more than 6 percent goes to schools.

These are some examples of what research by USDA and others has revealed about customers of milk. But there are many more things which need research. For instance, the growth in use of vending machines is worth

watching by milk producers, processors, and distributors. So is the upswing in use of low-fat dairy items, such as skim milk, cottage cheese, and ice milk, especially as this change is related to the public's interest in diets.

The results of research provide a guide to advertising and promotional efforts aimed at selling milk. For example, the USDA Household Food Consumption Survey indicated that probably it is easier to sell more milk to people already accustomed to using it than it is to make milk drinkers out of nondrinkers. However, nondrinkers can be won over with well-directed effort and promoters of dairy products should try to interest new buyers. After advertising and promotion efforts are launched, research can then determine which ones are successful and which are ineffective, and why.

(This article was written by Louis F. Herrmann, Chief, Animal Products Branch, Marketing Economics Division, Economic Research Service, USDA.)

A group of 4-Hers, meeting in Washington recently, take time out for a glass of milk.



Plan Now—August Is SANDWICH MONTH

AUGUST, that hot and languid time of year leading toward summer's end will again celebrate National Sandwich Month.

In today's accelerated pace in family living habits, 96 percent of the urban families and 88 percent of the farm families purchase their bread and rolls instead of baking it themselves. And the most popular use for these products is, of course, the making of sandwiches. For sandwiches represent the quickest, easiest, and most versatile way to combine wheat and numerous other products of our agricultural abundance. This too, is indicated by the increasing use of hot dog, hamburger, and other breadtype rolls.

Capitalizing on this already widespread acceptance, the wheat flour in-

dustry and related trade groups have for some years sponsored August Sandwich Month.

This promotion is plainly timed for the season when people are most likely to turn to the convenience of sandwiches—for quick pickup meals, outdoor picnics, barbecues, and beach parties.

August Sandwich Month provides an excellent opportunity for the U.S. Department of Agriculture to help call consumers' attention to wheat foods. This support is spearheaded by the Food Distribution Division's Plentiful Foods Program, which aims to achieve orderly marketing of the Nation's food supply by promoting foods in temporary seasonal abundance.

Monthly lists of plentiful foods are issued to all segments of the food trade, and information materials are prepared for the news media.

In addition to the August campaign for wheat foods, they are frequently mentioned in menu suggestions that are given along with the monthly lists.

Also, the Plentiful Foods Program supports a number of other industry promotions for wheat, which include Better Breakfast Month (in September), July Picnic Month, and the Cereal and Milk Spring Festival (in April).

This year, August Sandwich Month is highlighted on the regular monthly Plentiful Foods List. And the Department has issued special fact sheets for the food trade giving merchandising suggestions for both distributors and the food service industry. Special material for food editors, radio and TV stations is going out from the Department through its area information and extension offices. And field representatives located in key market areas across the country will personally contact trade and civic groups to gain their participation in this year's celebration of August Sandwich Month.

FAMILY DIETS

(Continued from page 9)

more milk. Indeed, if those whose diets now fall below the Food and Nutrition Board recommended allowance for calcium, used milk to bring calcium up to the recommended level, they would consume some 9 percent more milk. In the aggregate, this would call for the marketing of an additional 10 billion pounds of milk a year.

As soon as one mentions increasing the consumption of any kind of food the question of weight control comes up. Weight control is a very real problem for many—for teenagers, especially girls, as well as adults. It is not easy to combat over-fatness, once it has developed. It is far better never to allow it to start. But for prevention or cure of obesity, food alone cannot carry the entire burden. We must increase our expenditure of energy through the use of our muscles as well as control our intake of food. Physical fitness demands that we use our bodies as well as feed them.

Each person must work out for himself a pattern of living and a pattern of eating that will promote the building and maintenance of a vigorous body which will be an asset throughout a long lifetime. Present nutritional knowledge is adequate to warrant encouraging every person who now does not use enough milk, to give dairy products a chance to demonstrate their potentialities for contributing to the nutritional needs for more active, dynamic, and radiant living. The best use of food resources to attain nutrition for optimal health is of prime national concern. To help undergird policies and programs to this end we need a continuing program of nutrition research and education.

(The author is Deputy Administrator, Nutrition and Consumer-Use Research, Agricultural Research Service, USDA.)

